

## **HOT NEWS!!!!**

### **FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB) PROGRAM: Pre - Tax Health Savings Account Allotments for Federal Employees**

**Federal Employees who are enrolled in High Deductible Health Plans (HDHP) will now be able to make pre-tax allotments to Health Savings Accounts (HSAs) through “The Federal Flexible Benefits Plan (FEDFLEX). The Office of Personnel Management has worked with Defense Finance and Accounting Service (DFAS) to provide this service. Employees will be able to establish pre-tax allotments on September 2, 2007, which is the scheduled implementation date.**

**Employees may establish pre-tax HSA allotments using the same method that is used to establish other allotments (i.e. My Pay). DFAS will provide additional instructions to employees regarding establishing, altering, or cancelling allotments.**

**Unlike the Flexible Spending Account allotments, employees who elect HSA allotments may modify their allotments at any time so long as the change is prospective and in accordance with the administrative procedures established by DFAS. The HSA allotment election will continue until the employee modifies or revokes the allotment election.**

**Internal revenue Service limits apply to the amounts that can be set aside each year in HSAs. The 2007 HSA maximum contribution limit is \$2,850 for single coverage or \$5,650 for a family coverage. Individuals who are 55 or older may make an additional catch-up contribution of \$800 in 2007. FEHB enrollees in HDHPs should be aware that the premium pass-through amounts that they receive from their health plan count toward the IRS limits.**

**For more information regarding pass through amounts and contribution limits enrollees can visit [http://www.opm.gov/has/HAS\\_NetAmounts.pdf](http://www.opm.gov/has/HAS_NetAmounts.pdf)**

**Employees are responsible for ensuring their enrollment and contributions are in accordance with IRS rules. DFAS will verify employee eligibility. Additional information on HDHPs is available on the OPM web site at <http://www.opm.gov/hsa>.**